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NIHON KOHDEN CORPORATION (6849)

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Nihon Kohden Announces a Revision to its Forecast for Financial Results

Based on the recent performance trends, Nihon Kohden announces today a revision of its consolidated financial forecasts for the first half of the fiscal year ending March 31, 2025 from those announced on May 13, 2024.

1. Revision of Consolidated Financial Forecast for the 1st Half of FY2024 (From April 1, 2024 to September 30, 2024)

	Net Sales	Operating Income	Ordinary Income	Income attributable to owners of parent	EPS
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	104,000	7,000	7,000	4,500	26.82
Revised forecast (B)	102,000	3,000	3,000	1,500	8.94
Difference (B-A)	-2,000	-4,000	-4,000	-3,000	
Difference as percentage (%)	-1.9	-57.1	-57.1	-66.7	
(Reference) 1 st half of FY2023 (ended September 30, 2023)	103,536	7,491	12,546	7,997	47.53

Note: Effective on July 1, 2024, each share of common stock was split into two shares. Basic earnings per share for the first half of FY2023 and FY2024 shown above are based on the amount taking into consideration the stock split. Basic earnings per share without taking the stock split into account would be 53.64 yen for the previous forecast for the first half of FY2024, 17.88 yen for the revised forecast for the first half of FY2024, and 95.05 yen for the first half of FY2023.

2. Reasons for the Revision

Domestic sales are expected to show a low-single-digit decline over the first half of FY2023, falling short of the Company's previous forecast, as budget executions in the university and public hospital markets will be more concentrated in the second half than its expectations. There is also a cautious stance on capital expenditure by private hospitals. The reason behind this trend is that each medical institution is facing difficulty in securing medical professionals, responding to work style reforms for medical staff and the medical treatment fee revision. Internationally, sales are expected to show a low-single-digit decline on a comparable basis, excluding the currency effect and the impact of a change in the fiscal term of Defibtech, LLC, in the same period of the previous fiscal year. Overseas sales are expected to fall short of the Company's previous forecast, as sales in China will continue to decrease in the second quarter and business deals and budget executions in the Middle East and Southeast Asia will be more concentrated in the second half than its expectations. In North America, which is a market that the Company is focusing on, sales of patient monitors, ventilators, and neurology products are expected to increase favorably. The Company revised its previous forecasts for operating income, ordinary income, and income attributable to owners of parent, respectively. Income will fall short of the Company's previous forecasts, as sales will be lower than expected, while the Company aims at securing gross profit margin by focusing on selling its in-house products.

The Company reaffirms its forecast for FY2024 unchanged as both domestic and overseas sales will be more concentrated in the second half. The Company will also take further measures to reform the profit structure of the entire Group. After reviewing the results of the first half and outlook of the second half, the Company will revise its forecast for FY2024 at the announcement of financial results for the first half of FY2024 on November 7, 2024, if necessary.

The Company's forecast for the second quarter of FY2024 is based on an exchange rate of 150 yen to the U.S. dollar and 160 yen to the euro.

*The above estimates are based on information available on the date of this report's announcement. Actual results may differ from such estimates due to unforeseen circumstances.